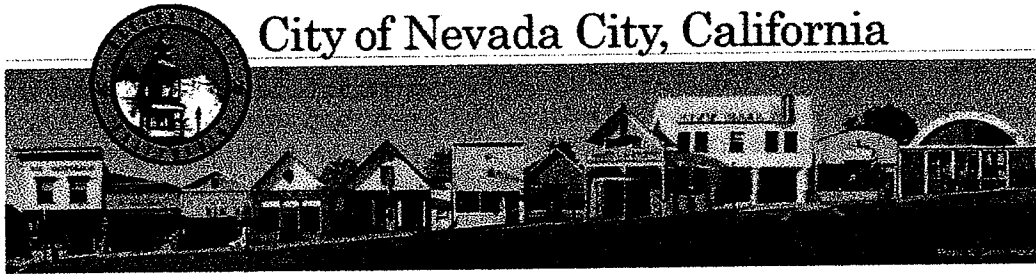


## **City of Nevada City, CA - Payment Processing Enhancements**

Report prepared and presented by E. Christina Dabis



### **PREFACE**

It has been the City's desire, through the administration and citizen requests, to offer expanded payment processing methods, specifically e-checks and credit card payments through the City's website and in person at City Hall. Furthermore, the City desires to avoid, or at least minimize, the expenses associated with the expanded services.

### **RECOMMENDATION:**

#### **Official Payments, Inc. for Credit Card Processing**

<http://www.OfficialPayments.com>

Rolando Navarro  
Account Executive  
Official Payments Corp.  
866.580.0980 Ext. 7817  
Direct 209-207-9502  
FAX (925) 855-6063  
[rnavarro@officialpayments.com](mailto:rnavarro@officialpayments.com)

#### **Software Solutions, Inc. for Electronic Check Processing**

<http://www.vchecksolutions.com>

T.J. Walker, owner  
Software Solutions, Inc.  
1905 S. Clarkson Street  
Denver, Colorado 80210  
303-979-6019  
[tjwalker@vchecksolutions.com](mailto:tjwalker@vchecksolutions.com)

Dabis & Appleby  
203 Celesta Drive, Grass Valley, CA 95945  
530-273-8429

## **Money, money everywhere, and ne'er a penny is seen.**

There has never been a time in our history where so many methods exist to transfer money from one point to another, without even touching it.

Every time money is moved there is an expense associated with that movement. Credit card transactions are the most popular and expensive means to transfer money.

Which payment methods help your City with collections? Which payment methods assist your customers?

Your conclusions might be different than mine and I certainly encourage you to do further research. My own conclusion was based on the benefit I found for both the customer and the local agency from these two providers:

### ***Credit Cards through Official Payments, Inc.***



### ***Virtual Checks through Software Solutions, Inc.***



Both companies offer credit card and electronic check processing; however there is benefit to the City and the customers of Nevada City by using the best individual product offered by these two companies.

### **Credit Card – Official Payments, Inc.**

- No expense to the City.
- Nominal fee charged to the customer.

### **Virtual Check – Software Solutions**

- Limited expense est. at \$600 /year to the City.
- No expense to the customer.

### **OFFICIAL PAYMENTS, INC.**

Official Payments, Inc. has provided a very stable payment platform. Their reports, both hardcopy and electronic, are the perfect audit trail necessary for local agencies accounting requirements.

Their data delivery is versatile to fit the City's requirements. They work well with existing accounting software and web site providers.

In the case of payment disputes, or errors, which rarely occurs, their staff is immediately available to resolve the issue.

### **SOFTWARE SOLUTIONS, VIRTUAL CHECK**

Virtual Check is customizable for your website. The customer visits your website, opts to use Virtual Check, which resides on a secure server, off-site. The customer will enter their financial data and make their payment. They will be given an online receipt and a confirmation e-mail. Your staff will receive payment e-mail notification, too.

Your staff will print the checks onto blank check-stock and process them as they do any other check.

There are three methods available to enter payments. The only one I recommend is the online, customer driver, payment method.

The FAX and telephone payments must be keyed into the system by your staff, and in my opinion, that opens the door to too much legal exposure.

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**STAFF MEMORANDUM FOR CITY COUNCIL MEETING**

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**TO:** Honorable City Council

**FROM:** Gene Albaugh, City Manager  
Catrina Andes, Finance Director

**SUBJECT:** Mid – Year 09/10 Budget Adjustments

**DATE:** February 24, 2010

*Gene Albaugh*  
*Catrina Andes*

**Recommendation:**

Staff recommends that the City Council approve the proposed mid-year budget adjustments.

**Background/Discussion:**

There are several general fund revenue sources that the staff has evaluated as of the first six months of fiscal year 09/10, and is proposing a change. It is being recommended;

- Based on a review of City sales tax with HdL (the City's sales tax consultant), that the City sales tax be reduced by \$183k. This takes the sales tax from the original budget of \$962k on to \$779k or a 19% reduction.
- Staff is proposing a reduction in property tax of \$105k from the original budget of \$1.24 million to \$1.135 million this is for the special fire tax that should be in special revenues not in the general fund.
- The staff is proposing that the one time Workers Compensation reimbursement be deleted from the budget as it was received and recorded in June of 2009.
- Staff recommends an increase in revenues of \$22k for a one time collection of parking in lieu variance fees collected for the Powell House.
- Finally, the staff is recommending an increase in other revenues of \$112,775 for a one time revenue collection that is a reimbursement for the Underground Storage Tank clean up at 775 Zion Street.

These adjustments bring the total general fund budgeted revenues for fiscal year 09/10 to \$3.457 million from the original budgeted \$4.197 million (this includes moving Measure "S" to special revenues).

In the area of Special Revenues;

- Staff reviewed Measure "S" special district sales tax with HdL and it is being recommended that Measure "S" sales tax be moved from the general fund category to the special revenues with a reduction of \$29k. This change takes Measure "S" sales tax from the original budget of \$546k to \$517k or a 5% reduction.
- It is being proposed that park and recreation mitigation fees (requested from the County) be reduced to \$70k from the original budgeted \$275k. This was the request made by the City to the County for potential use in Calanan Park.
- The City received notification on actual Gas Tax and Traffic Relief Funds that are to be allocated to the City by the State of California. There are slight variances in the actual allocation to be received by the City than what was originally budgeted. The adjustment being recommended in the Gas Tax revenue is a decrease of \$6,242 dropping the original budget of \$73.5k to \$67,258.

- The adjustment to the Traffic Relief revenue is an increase of \$7,804 taking the original budget from \$20k to \$27,804.
- Due to the City's limited cash flow it is being recommended that the original budget for use of the Highway Bridge Grant funds of \$150k be deleted from the budget.
- Finally, with the awarded Recovery Act Grant funds awarded to the Police Department it is being recommended that the special funds budget be increased by \$272,945 (of the \$510,090 that was awarded for the two year grant).

These adjustments bring the total special fund revenues to \$1.857 million from \$1.42 million.

There are no recommended changes in revenue collections for the water fund, wastewater fund, or the Veteran's Building programs leaving the original budgeted revenues for fiscal year 09/10 at \$588.8k, \$1.381 million, and \$18k consecutively.

There are several general fund departmental operational expenditures that have come up in the first six months of the 09/10 fiscal year that are requiring proposed decreased in several departments.

- It is being proposed that the City Planners budget be reduced by \$35k. This reduction will be in the area of outside services. The original budget for this line item was \$60k. The expenditures as of January 2010 in City Planning outside services were \$17k. This reduces the line item to \$25k.
- It is being proposed that the City Manager's budget be reduced by \$83,575 in the area of salary and benefits. This drops the original budget of \$135,246 to \$51,671. The original budget was proposed as full time and benefits while currently the City Manager is working for reduced salary and without benefits.
- The final reduction being proposed is in the Police Department. The proposed reduction is \$89.5k in the areas of salaries, benefits, and ticket processing. The reduction in salaries will be in the area of part-time salaries. The original budget was \$115.8k and is being reduced \$40k with actuals as of January 2010 being \$25k. The reduction in benefits is in the area of CalPERs. The original budget was \$189.6k and is being reduced \$24.5k with actuals as of January 2010 at \$81.5k. Staff is recommending an increase of \$30k in health benefits taking the original budget from \$118.3k to \$148.3k, and a reduction of \$55k in ticket processing. The original budget for ticket processing \$70k and is being reduced to \$15k with actuals as of January 2010 at \$2.7k. The original budget included the payback of ticket revenue to the County, which the City actually paid back in the fiscal year 08/09.
- In the area of capital outlay for Parks and Recreation, a reduction of \$40k is being proposed for the tennis court resurfacing. The original budget was \$50k and the projects actual total was \$10k.
- The budgeted expenditures associated to Measure "S" were moved over in to the special funds.

This brings the total of the operational and capital outlay budget for the general fund to \$3.6 million down from \$4.4 million.

There are several proposed expenditure changes being proposed in the area of special fund expenditures. Staff is proposing;

- an increase of \$255,045 for the Police Department Recovery Act grant.
- Also being proposed is a decrease of \$150k for the deletion of the use of Highway Bridge grant funds,
- and a reduction of \$205k of Parks and Recreation mitigation/proposition 40 funds that there was potential use for purchasing Sugarloaf and working on Indian Trails.
- Also added to the special funds budget are Measure "S" expenditures of \$525k.

This takes the special funds expenditure and capital budget from \$1.429 million to \$1.853 million.

There are no recommended changes to the budgeted expenditures associated to the water fund, wastewater fund, or the veteran's building program leaving the original budgeted expenditures for the fiscal year 09/10 at \$758k, \$1.376 million, and \$34k consecutively (which includes proposed capital outlay).

In the Other Funding Resources area staff recommends a transfer from special funds to the general fund of \$17.9k from the Police Department Recovery Act grant for the administration of the grant, and the issuance of the Tax Revenue Anticipation Note of \$1.017 million from the County Treasurer and the payback due to the County on June 30, 2010 of that same amount have been added.

The budget adjustments recommended adversely affect the bottom line of each of the general and special funds.

- The year end balance in the general fund with the recommended adjustments creates a \$58,957 year end resources. This is a reduction from the original budget of \$92,077. The affect that this year end balance will have on the 06/30/09 audited general fund balance is increasing it from \$16,407 to \$75,364.
- The special funds are negatively affected with the proposed changes leaving the year end balance at \$(205,923) which takes the 06/30/09 audited special fund balance of \$397,183 to \$191,260 as of 6/30/10.
- The water fund remains operating at a deficit of \$(169,452), the wastewater fund remains operating with a net gain of \$5,595, and finally, the Veteran's Building remains operating at a deficit of \$(15,962).

Based on the projected proposed adjustments it is necessary for the City to continue reviewing where cuts will need to be made operationally. There are several revenue sources that are one time shots of money for the City that are being used to offset normal operating expenditures. The ability to use special revenues, such as grants, to offset administrative costs is becoming increasingly important. The Finance and Administration Department is beginning to work with MGT to create a cost allocation plan for the City, so that we can cross charge special funds, enterprise funds, and departments with direct as well as indirect costs. Staff is seeking direction from Council, and will take any recommendations back for review. Also, staff will be reviewing budgets at the department level to see where further reductions can be made. The Finance Director will be coming to Council March 10, 2010 with a three year projection.



CITY OF NEVADA CITY  
2009-2010 BUDGET SUMMARY (Mid Year Adjustments)

REVENUES:

General

Sales Tax (includes property in - lieu sales tax)  
Reduce sales tax projection (Hdl)  
Property Taxes  
Move fire taxes to special revenue w/ xfer to general fund  
Room Tax  
Motor Vehicle (includes vehicle fees in lieu of property tax)  
Franchises  
Rent  
Fire Department  
Licenses & Permits  
Police (Court fines, PB-State, Forfeitures)  
Prop. 172 - SB509  
Supplemental Law Enforcement (SLESF)  
Planning  
Parks & Recreation Programs (includes park, pool, and summer camp)  
Parks & Recreation Mitigation (Restricted)  
Parking Meters and Citations  
Interest  
Other - Misc.  
Other - Misc. (WC Refund) restriction suggestion  
Reduce - received in June 2009  
Grant Reimbursements (includes OCJP)  
Parking Variance in lieu  
UST Removal - Fund Reimbursement (one time)

Special - Restricted Uses

AB-1600 (Admin, Police, Park, Fire, Roads, Drainage)  
Park&Rec. Mitigation/Quimby (\$250,000 for Sugarloaf & \$22k for Indian Trails)  
Reduce Park&Rec. Mitigation/Quimby (\$70k requested from County for Calahan)  
Gas Tax  
Adjust Gas Tax to actual allocation  
Traffic Relief - Safety  
Adjust Traffic Relief to actual allocation  
RSTP/INCTC (Coyote, Ridge, Zion)  
Rural Planning (NCTC&CMAQ-Gold Flat RoundABOUTS, Gold Flat Striping)  
Fire Taxes (1986, 2003, Tax Cap.)  
CMAQ Grant - Clean Air (Street Sweeper)  
Constitution Day Parade  
B.I.D.  
USPEA Grant (Friends of Deer Creek)  
Safe Routes to Schools (Zion, Brock, Doan-sidewalk, cross walks, improved turn lanes)  
Highway Bridge Project (Nevada St. Bridge)  
Remove Highway Bridge Project grant expenditures (cash flow)  
Stimulus (Broad Street Overlay)  
Add Recovery Act Grant Police Dept. (\$510,090/2 - 1/2 yr)  
Measure "S" Tax (restricted)  
Reduce measure "s" sales tax projection (Hdl)

TOTAL GENERAL FUND REVENUES:

General Fund  
Proposed 08/10

\$ 962,000  
\$ (183,000)  
\$ 1,239,629  
\$ (105,000)  
\$ 311,500  
\$ 251,100  
\$ 88,000  
\$ 50,800  
\$ 15,120  
\$ 68,400  
\$ 44,500  
\$ 30,000  
\$ 100,000  
\$ 52,500  
\$ 165,500  
\$ 3,520  
\$ 120,000  
\$ 30,600  
\$ 8,400  
\$ 40,870  
\$ (40,870)  
\$ 79,000  
\$ 22,000  
\$ 112,775

\$ 13,000  
\$ 275,000  
\$ (205,000)  
\$ 73,500  
\$ (6,242)  
\$ 20,000  
\$ 7,804  
\$ 85,000  
\$ 117,000  
\$ 105,000  
\$ 175,000  
\$ 12,000  
\$ 25,000  
\$ 80,000  
\$ 170,000  
\$ 150,000  
\$ (150,000)  
\$ 120,000  
\$ 272,945  
\$ 546,000  
\$ (29,000)

\$ 3,457,344 \$ 1,857,007

**CITY OF NEVADA CITY**  
**2009-2010 BUDGET SUMMARY (Mid Year Adjustments)**

**EXPENDITURES:**

**General**

General Government  
 City Council  
 Planning Commission  
 City Attorney  
 City Planner  
 City Planner - Reduce Outside Services  
 City Engineer  
 City Manager  
 City Manager - Reduce Salary and Benefit  
 City Clerk & Treasurer  
 Fire  
 Police  
 Police - Reduce PT, Benefits, Ticket Processing  
 DPW (B&G, Streets)  
 Parks & Recreation (pool, summer camp)

General Fund  
Proposed 09/10

\$ 605,196  
 \$ 15,300  
 \$ 12,700  
 \$ 60,000  
 \$ 160,612  
 \$ (35,000)  
 \$ 15,171  
 \$ 151,901  
 \$ (83,575)  
 \$ 3,344  
 \$ 440,373  
 \$ 1,494,815  
 \$ (89,500)  
 \$ 459,086  
 \$ 322,349

Special Funds  
Proposed 09/10

**Special**

AB 1600 Drainage and Roads  
 Gas Tax  
 Prop. 1B  
 Constitution Day  
 B.I.D.  
 USPEA Grant

\$ 60,000  
 \$ 35,000  
 \$ 12,000  
 \$ 12,000  
 \$ 25,000  
 \$ 80,000

**Totals - Operations**

\$ 3,532,772    \$ 224,000

2009-2010 BUDGET SUMMARY (Mid Year Adjustments)

EXPENDITURES:  
Capital Outlay:

	General Fund Proposed 09/10	Special Funds Proposed 09/10
Fire		
Hose (rollover 08/09)	\$ 10,000	\$ 75,000
2 Utility Vehicles		
Police		
One New Vehicle-Outfitted (rollover 08/09)		\$ 37,500
Recovery Act Grant - Furloughs - New Positions		\$ 255,045
DPW (B&G, Streets, Sewer Collection, Water Dist.)		
York Street/Bridge Street (sewer collection)		
S.Pine/Crosst St./Zion (sewer collection)		
4" to 6" Water Maint Prospect Street (water distribution)		
Capital Outlay-RSTP S&R (212)		\$ 85,000
Capital Outlay-CMAQ Grant (247)		\$ 175,000
Capital Outlay-Safe Routes to Schools Grant (248)		\$ 170,000
Capital Outlay-Highway Bridge Project Grant (249)		\$ 150,000
Remove Highway Bridge Project Grant Expenditures		\$ (150,000)
Capital Outlay-Rural Planning NCTC (215)		\$ 50,000
Capital Outlay-CMAQ		\$ 67,000
Capital Outlay-Stimulus		\$ 120,000
Capital Outlay-Measure "S" (715)		\$ 525,000
Parks & Recreation (pool, summer camp)		
Tennis Courts (Rollover 08/09) - TRAN	\$ 50,000	
Reduce expenditure for Tennis Court resurfacing	\$ (40,000)	
Semans Lodge Roof (Rollover 08/09) - TRAN	\$ 35,000	
Park Cottage Roof (Rollover 08/09) - TRAN	\$ 20,000	\$ 275,000
Purchase Sugarloaf/Indian Trails		\$ (205,000)
Remove purchase of Sugarloaf/Indian Trails - replace w/ Calanan		
WTP		
Computer-Water Treatment Plant (Rollover 08/09)	\$ 75,000	\$ 1,629,545
Water Rate Study		
New Water Filters	\$ 3,607,772	\$ 1,853,545
Totals - Capital Outlay		

TOTAL EXPENDITURES & CAPITAL OUTLAY:

OTHER FUNDING SOURCES AND OPERATING TRANSFERS IN:

Transfers In - from Fire Taxes	\$ 105,000
Transfers In - General Gov't Cost to Special Revenues	\$ 86,485
Add Transfers In - General Gov't Cost to Special Revenues (Admin of Recovery Act PD Grant)	\$ 17,900
Subtotal - Transfers In	\$ 209,385
OPERATING TRANSFERS OUT:	
Transfers Out - Fire Taxes	\$ 105,000
Transfers Out - General Gov't Cost Allocation to Special Revenues	\$ 86,485
Add Transfers Out - General Gov't Cost Allocation from Special Revenues (Admin Recovery Act PD Grant)	\$ 17,900
Subtotal - Transfers Out	\$ 209,385
Proceeds from Debt- TRAN 09/10	\$ 1,017,183
Repayment of TRAN - 09/10	\$ (1,017,183)
	\$ -

CHANGE IN RESOURCES

Fund Balances as of 6/30/09

\$ 16,407	\$ 397,183
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**CITY OF NEVADA CITY**  
**2009-2010 BUDGET SUMMARY (Mid Year Adjustments)**

**REVENUES:**

Enterprise  
 Water - Interest  
 Water - AB1600 (Restricted)  
 Water - Services  
 Sewer Interest  
 Sewer - AB1600 (Restricted)  
 Sewer - Services  
 Vet's Bldg Program Income

Enterprise Funds

	<u>WTP Proposed</u>	<u>WWTP Proposed</u>	<u>Vet's Bldg</u>
	<u>09/10</u>	<u>09/10</u>	<u>Proposed 09/10</u>

\$	5,000		
\$	8,000		
\$	575,800		
		\$ 25,000	
		\$ 4,000	
		\$ 1,352,252	
			\$ 18,000

**TOTAL FUND REVENUES:**

\$	<u>588,800</u>	\$	<u>1,381,252</u>	\$	<u>18,000</u>
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**EXPENDITURES:**

Capital Outlay:  
WTP

	<u>WTP Proposed</u>	<u>WWTP Proposed</u>	<u>Vet's Bldg</u>
	<u>09/10</u>	<u>09/10</u>	<u>Proposed 09/10</u>

Computer-Water Treatment Plant (Rollover 08/09)  
 Water Rate Study  
 New Water Filters

\$	2,000		
\$	20,000		
\$	42,000		

**Totals - Capital Outlay**

\$	<u>139,000</u>	\$	<u>305,000</u>	\$	<u>-</u>
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**TOTAL EXPENDITURES & CAPITAL OUTLAY:**

\$	<u>758,252</u>	\$	<u>1,375,657</u>	\$	<u>33,962</u>
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**CHANGE IN RESOURCES**

\$	<u>(169,452)</u>	\$	<u>5,595</u>	\$	<u>(15,962)</u>
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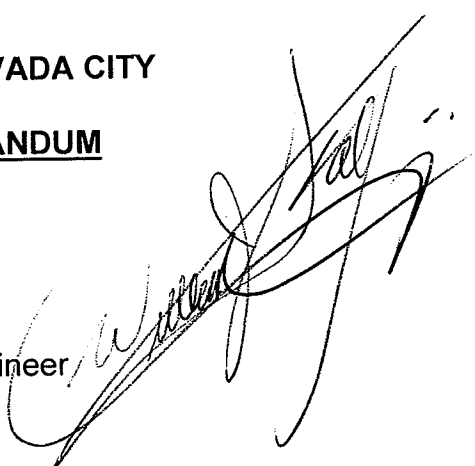
**Fund Balances as of 06/30/09**

\$	(584,780)	\$	969,563	\$	(49,898)
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CITY OF NEVADA CITY

MEMORANDUM

**TO:** Honorable City Council  
**FROM:** William J. Falconi, City Engineer  
**DATE:** February 18, 2010  
**SUBJECT:** Contract for Reconstruction of Broad Street



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**RECOMMENDED ACTION:**

Authorize the Mayor to sign a contract with Western Engineering, Inc. in the amount of \$89,470.00 for the work described below.

**BACKGROUND INFORMATION:**

The City has ARRA funds available to do reconstruction and paving on Broad Street between Union Street and Bennett Street. This work has been scheduled using these funds prior to the AMGEN Tour in May of 2010.

**DISCUSSION:**

The City bid work on February 17, 2010 and seven (7) bids were received for the work at that time. The results of the three (3) lowest bids are follows:

Western Engineering, Inc. Loomis, CA	\$89,470.00
Central Valley Roseville, CA	\$91,487.50
Teichert Construction Lincoln, CA	\$92,956.00

After reviewing the paperwork and bid data, staff recommends that we award the bid for said work and authorize the Mayor to sign the contract.

Bid: Broad St Paving - 4:00 pm - Feb 17, 2010

Contractor

Bid

3:22 pm  
> ①  
⑤

J.D. Pasquetti

\$ 99,260.-

2:53 pm  
> ②  
③

Hansen Bros.

\$ 103,610.-

12:10 pm  
> ③  
①

Martin General Eng.

\$ 112,804.00

1:16 pm  
> ④  
②

Central Valley ②

② \$ 91,487.50

3:04 p.m.  
> ⑤  
④

Knife River  
(Baldwin)

\$ 107,600.-

3:36 pm  
> ⑥  
⑥

Western Engineering ①

\* ① \$ 89,470.-

3:37 pm  
> ⑦  
⑦

Teichert Construction ③ \$ 92,956.-

Carey Khan

2/17/10